



United States
Department of
Agriculture

Farmers
Home
Administration

Washington
D.C.
20250

FmHA AN No. 1167 (1962)

March 28, 1985

SUBJECT: Third-Party Conversion Claims

TO: All State Directors, Farmer Program Chiefs,
District Directors and County Supervisors, FmHA

Purpose/Intended Outcome

The purpose of this AN is to assure that all offices are aware of the time limits imposed by section 1962.49(c)(2)(ii) of FmHA Instruction 1962-A for submitting third-party conversion claims to the Office of the General Counsel (OGC). This section states that the State Director cannot recommend a third-party conversion claim to the OGC if more than one-year has run from the date of the annual accounting following the disposition of security.

Implementation Responsibilities

Meeting the time requirements for conversion actions as set forth in FmHA Instruction 1962-A is critical for the protection of the Government's interest. The time requirements are as follows:

1. First, in accordance with 1962.18(a), there must be an annual accounting of chattel security made by the County Supervisor. The annual accounting at which the County Supervisor becomes aware of the conversion of security cannot take place more than 12 months after the conversions have occurred. The County Supervisor must report these conversions promptly to the State Director. There is no exception or waiver for this requirement.
2. Secondly, conversion claims must be submitted by the State Director to OGC within one year from the date of the County Supervisor's annual accounting following the disposition of security. The Administrator may allow a longer period because of compelling circumstances, such as evidence of intent to defraud or misrepresentation, or if the time limit has been exceeded because the case has been investigated by the Office of Investigation (OI).

EXPIRATION DATE: March 31, 1986

FILING INSTRUCTIONS: Preceding
FmHA Instruction 1962-A



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In accordance with FmHA Instruction 1962-A, section 1962.18(d), the County Supervisor will promptly report any unauthorized disposition of security to the State Director. It is essential that the County Supervisor submit the case promptly to allow the State Director enough time to prepare and submit the case to OGC within the one-year time limit discussed in 2 above. The State Director will determine if there is sufficient information to submit the case to OGC. Remember, the County Supervisor is NOT a professional investigator. If within a reasonable time and after diligent efforts, the County Supervisor is unable to obtain sufficient information, an investigation should be requested from the Office of Investigation (OI). The important factor is that the best job possible, within the time allowed, must be done and the case be submitted to OGC within the one-year period. If the one-year limitation for submission to OGC is exceeded because the County Supervisor has been "investigating," the National Office usually will not consider the delay to be due to compelling circumstances.

Please carefully review FmHA Instruction 1962-A, sections 1962.18(d), 1962.49(a), (b) and (c).

Dwight O. Calhoun

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Acting Associate Administrator